Import of Consumer Items

*145. SHRI MURLIDHAR CHANDRAKANT BHANDARE :
SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE : †

Will the PRIME MINISTER be pleased to state :

(a) whether Government have recently liberalised the import policy to allow import of consumer durables which had hitherto been listed in the Negative list;

(b) if so, the details of items shifted from Negative list to import list during the last 4 months; and

(c) what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (PROF. P. J. KURIEN) : (a) No, Sir.

(b) and (c) Do not arise.

श्री सुशील कुमार संभाजीराव शिन्दे : सभापति जी, हमें इस बात की खुशी है कि उन्होंने नई लिस्ट कुछ डेक्लेयर नहीं की है लेकिन मैं शासन के ध्यान में लाना चाहता हूं कि जो इंडिविज्युअल गोल्ड लाते हैं उसमें काफी बढ़ोत्तरी हो गई है और यह बढ़ोतरी होने की वजह से एक तरफ से स्मगलिंग तो कम हो गया है लेकिन दूसरी तरफ ऐसे कई लोग आ गये हैं--कई इंडिविज्युअल गलत नाम से आते हैं और वे इस देश में गोल्ड लाते हैं ।

क्या शासन को कुछ ऐसी जानकारी हो गई है ? और हो गई है, तो ऐसे कितने केसिज गवर्नमेंट आफ इंडिया की नजर में आये हैं ?

SHRI P. J. KURIEN : Sir, this relates to the Department of Enforcement. Hon. Member may put a separate question to the Minister of Finance.

†The question was actually asked on the floor of the House by Shri Sushil Kumar Sambhajirao Shinde.

SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE : Sir, realisation of duty on imports under gold policy comes under this question.

सर इंडिजिनस जब इस देश में कई ऐसे एक्स्ट्रा आईटम बताये गये हैं इस देश में कितनी इंडिजिनस चीजें होती हैं । तो उसके बारे में लिस्ट कर्टेल करने के बारे में सरकार क्या सोच रही है ?

SHRI P. J. KURIEN : Sir, the policy of the Government is very clear. We have put the consumer items in the restricted list. We allow import of only such items which would be used as inputs for export production. The liberalisation which has been done is with a view to increasing our exports. Otherwise, we have not changed the policy. The policy presented in this House on 1st April remains unchanged. As I pointed out, consumer goods are in the restricted list. But components of consumer goods and any other goods that would go into export production are allowed to be imported, with the condition that they should be used as inputs in production means for export purposes. The conditions for export fulfilment are there. Otherwise, there are no other imports.

SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE : If it is so, I would like to know whether our exports have increased, after the liberalisation, after you have allowed the import of these items. For example, there is an item, 'electronic games'. If such types of items have been cleared, there is no likelihood of our exports being increased. If this is so, we are afraid whether, by following this type of liberalisation, indigenous goods would get priority or not.

SHRI P. J. KURIEN : Sir, the hon. Member's question is very pertinent. He asked whether our exports have increased after this liberalisation. I would like to say categorically that exports have increased. Last year, 1991, we began with a negative growth in exports, i.e. –1.7 per cent. There was a negative growth. It was –1.7 per cent, in dollar terms. Of course, in rupee terms, there

was an increase. I am giving it in dollar terms because that is more relevant.

SHRI N. K. P. SALVE : But imports have exceeded.

SHRI P. J. KURIEN : I am referring to exports. Compared to this -1.7 per cent, there is a 5.4 per cent increase, in dollar terms, within six months. In rupee terms, it is more than 30 per cent. This is the increase within six months.

Therefore, we have not only reversed the negative trend, because of the new policy, but we have also accelerated the pace of exports. Every month, exports are on the increase. I would like to point out here that the impact of any policy cannot be felt on the same day, or, within a fortnight. It requires time. As I pointed out earlier, there was a negative growth in exports in 1990. It is obvious to everybody that it was because of the lapses, because of the distortion in the policy, at that time, or, prior to that. We have changed that. After liberalisation, we have arrested the trend. The trend is now positive. As I said, every month, it is increasing. Last month, it was 4.6 per cent. Up to September, it was 5.4 per cent. I assure you that next month, it would be higher. Every month, there is an increase in our exports. We should remember that this is at a time when there is recession in world trade. The world trade is on the decline. There is recession. In spite of it, our exports are picking up.

श्री गया सिंह : सभापति महोदय माननीय मंत्री जी ने कहा कि उदारीकरण से यह नई नीति आई और अचानक उसमें परिवर्तन नहीं आएगा । लाभ कुछ दिन बाद आएगा । मैं मंत्री जी से यह कहना चाहता हूं कि डेढ़ साल हो गया और डेढ़ साल के अन्दर कई ऐसे आईटम्स हैं जिसमें आपका आयात बढ़ गया है और निर्यात घट गया है । टोटल जो आप बता रहे है अगर आप देखें आप स्क्रैप स्टील का मंगा रहे हैं 35 परसेंट में 25 परसेंट उनको छूट दे दिया और आज आपके देश में स्टील नहीं बिक रहा है । दूसरे, कागज आपका नहीं बिक रहा है । आपने इतना आयात कर लिया है कि आपके जो कागज के कारखाने हैं, वे बंद होने वाले हैं और जैसाकि आपने कहा कि उदारीकरण कि नीति के अंदर वर्ष 91 के बाद उसमें लाभ नजर आ रहा है तो मेरा निवेदन यह है कि इस पर मंत्री जी को कुछ दिन विचार कर और अपने आंकड़े शुद्ध कर बताना चाहिए क्योंकि हमारी समझ में आपका आयात बढ़ गया है और निर्यात घट गया है ।

SHRI P. J. KURIEN : Sir, I would like to remove the apprehension from the mind of the hon. Members and this House that this feeling that the import has indiscriminately increased, is not correct. In fact, we have to project it in absolute terms. I would like to categorically state that in absolute terms the increase in import is not much, as to be worried at all.

SHRI YASHWANT SINHA : What is 'much' ?

SHRI P. J. KURIEN : I will give you the figure. I have got the latest data available with me, that is of 1992-93, April to September, first six months. In these first six months the increase in import is only 0.8 per cent higher than the corresponding period of 1990-91. So, it is only 0.8 per cent higher.

SHRI YASHWANT SINHA : Is it in dollar terms, or rupee terms or in what terms ?

SHRI P. J. KURIEN : In dollar terms.

SHRI YASHWANT SINHA : Is it only 0.8 per cent ? You are misleading the House. It is 22 per cent to 24 per cent.

SHRI P. J. KURIEN : I stand by what I said. (*Interruptions*).

These are the facts. I am saying this. You can bring a privilege motion.

SHRI YASHWANT SINHA : Yes.

MR. CHAIRMAN : Do not invite him.

SHRI P. J. KURIEN : Yes, I would like to repeat. I said about the increase in import. What the hon. Member is saying is the trade deficit. I am referring to the increase in import. The increase in import is only 0.8 per cent. It is only 0.8 per cent higher for the last six months. That is what I am saying. (*Interruptions*). I know what the hon. Member meant. What you meant is trade deficit. I am not talking about trade deficit.

SHRI YASHWANT SINHA : I am not talking of the trade deficit, Mr. Minister. (*Interruptions*),

SHRI P. J. KURIEN : I do not want to . . .

SHRI YASHWANT SINHA : I would only request you to take note, let not the Minister correct the record thereafter. We will bring a privilege motion.

MR. CHAIRMAN : He will look into it.

SHRI YASHWANT SINHA : He will not correct the record. Let the whole House be a witness.

MR. CHAIRMAN : No, he will look into it.

SHRI P. J. KURIEN : I am giving the facts from the detailed brief given to me. I stick to that.

SHRI N. K. P. SALVE : Is it only for one month or from April to September ?

SHRI P. J. KURIEN : I said that it is from April to September.

SHRI N. K. P. SALVE : Only 0.8 per cent increase in imports ?

SHRI P. J. KURIEN : In absolute terms. That is what I am saying. I am not talking about trade deficit. I am talking only about increase in import, in absolute terms.

DR. YELAMANCHILI SIVAJI : Sir, the hon. Minister in his report has mentioned that all the imports that are for augmenting exports are allowed. As the fertilizers are available at cheaper rates throughout the world as compared to India, if they are available at competitive rates it will augment agro-exports. Therefore, is there any proposal under the consideration of the Government to allow import of fertilizers under OGL so that the agro-exports take a boost ?

SHRI P. J. KURIEN : Would you kindly repeat the question ?

DR. YELAMANCHILI SIVAJI : Sir, it is a fact that fertilizers are available at cheaper rates in other countries. You mentioned in your answer that all the imports that are useful for augmenting exports are allowed to be imported. Therefore, if the fertilizers are imported, if they are available to the farmers at competitive rates, our agricultural production will go up. This will expand our agro-exports. In that case, is there any proposal under the consideration of the Government to allow import of fertilizers under the Open General Licence Scheme so that fertilizers would be available at competitive prices ?

THE PRIME MINISTER (SHRI P. V. NARASIMHA RAO) : The Punjab

Co-operative Bank and so many other institutions in the country are importing fertilizer, and it has been deceanalized. The policy has been made clear. I think the Agriculture Minister must have briefed the House on those points. That is the situation.

DR. YELAMANCHILI SIVAJI : Under the Open General Licence Scheme .....

SHRI P. V. NARASIMHA RAO : I could not say whether it is OGL or not, but import is taking place. It is a matter of verification. I can tell you; you don's have to be really seeking for an answer. I will ask the Agriculture Minister.

श्री मोहम्मद सलीम : सभापति महोदय, पहले तो राय बदलती थी मंत्री से मंत्री तक, अब तो फैक्टस भी बदलने लगी हैं मंत्री से मंत्री तक। कल मैं सुन रहा था टेली कान्फ्रेंस वेल एडवर्टाइज टेली कान्फ्रेंस हमारे वित्त मंत्री की, और वह कह रहे थे कि चूंकि इम्पोर्ट स्क्वीज्ड हुई लास्ट ईयर में, इसलिए हमारा इण्डस्ट्रियल ग्रोथ जो है कम हुआ है और अब जो है इम्पोर्ट लिबर्लाईज कर दिया है, इसका असर इंडस्ट्रीज में भी पड़ेगा, लेकिन मंत्री महोदय अभी चेजेन्ज के साथ यह कह रहे है कि सिर्फ 0.8 परसेंट कारसपोण्डिग पीरयड में पिछले साल इम्पोर्ट बढ़ा है। सवाल था कन्ज्यूमर्स आइटम्स का, सरकार खुद कह रही है, अभी मंत्री जी कह रहे थे कि वैलेन्स आफ पेमैन्ट की, ट्रेड डेफिसिट की बात नहीं कह रहे हैं, लेकिन यह सरकार का आंकड़ा कह रहा है कि इतना तमाम इम्पोर्ट लिबर्लाईजेशन इसलिए किया। फिर वैलेन्स आफ पेमैंट उसी जगह पर है, तो सवाल यह था, प्रश्न यह था कि कंज्यूमर आइटम्स जो आप इम्पोर्ट कर रहे हैं, इससे हमारे ट्रेड डेफिसिट में कितना असर पड़ा है और आपके बेलेन्स आफ पेमैन्ट में क्या असर पड़ा है कंज्यूमर आइटम्स इम्पोर्ट करने की वजह से ?

†شری محمد سلیم : سبھاپتی مہودیہ۔ پہلے تو رائے بدلتی تھی منتری سے منتری تک اب تو فیکٹس بھی بدلنے لگی ہیں منتری سے منتری تک۔ کل میں سن رہا تھا ٹیلی کانفرنس۔ دیل ایڈورٹائز ٹیلی کانفرنس ہمارے وت منتری کی اور وہ کہہ رہے تھے کہ چونکہ امپورٹ سکوئیڈ ہوئی لاسٹ ایر میں اس لیے ہمارا انڈسٹریل گروتھ جو ہے کم ہوا ہے اور اب جو ہے امپورٹ لبرلائز کر دیا ہے۔ اس کا اثر انڈسٹری میں بھی پڑے گا۔ لیکن منتری مہودے۔ ابھی چینجیز کے ساتھ یہ کہہ رہے ہیں کہ صرف اعشاریہ آٹھ پرسینٹ کرس پونڈنگ پیریڈ پچھلے سال امپورٹ بڑھا ہے۔ سوال تھا کنزیومرس آئٹمس کا۔ سرکار خود کہہ رہی ہے۔ ابھی منتری جی کہہ رہے تھے کہ بیلنس آف پیمنٹ کی۔ ٹریڈ ڈیفیسٹ کی بات نہیں کہہ رہے ہیں۔ لیکن یہ سرکار کا آنکڑا کہہ رہا ہے کہ اتنا تمام امپورٹ لبرلائزیشن اس لیے کیا پھر بیلنس آف پیمنٹ اسی جگہ پر ہے۔ تو سوال یہ تھا۔ پرشن یہ تھا کہ کنزیومر آئٹمس جو آپ امپورٹ کر دیے ہیں۔ اس سے ہمارے ٹریڈ ڈیفیسٹ میں کتنا اثر پڑا ہے۔ اور آپ کے بیلنس آف پیمنٹ میں کیا اثر پڑا ہے۔ کنزیومر آئٹمس امپورٹ کرنے کی وجہ سے۔

†[ ] Transliteration in Arabic Script.

SHRI P. J. KURIEN : Sir, we have allowed import of certain items only to boost exports. I would like to further clarify that. Exporters who are exporting to ACU countries do not get the benefit of LERMS. Then, exporters who are doing deemed export also do not get the benefit of LERMS. Such people and also trading houses, stock trading houses, etc., have been allowed to import certain items under Special Import Licence. That is only, on an average, five per cent of the net foreign exchange earnings by them—not even five per cent of their exports. That is given as an incentive to boost exports. So, that is in lieu of CCS. There was, earlier, Cash Compensatory Support. That has been withdrawn. Then, all such monetary concessions and incentives given to exporters earlier have been withdrawn after the new policy. Therefore, some incentives have to be given to the exporters, and that has been provided in the policy which has been laid on the Table of this House. So, from the provision of the policy which has been stipulated there, we have implemented the Special Import Licence. There some items are given. That is only an incentive to export, which was the policy of the previous Government also. Previously that had been the policy which we were continuing so far. So, that is what all is done. It is not import as such which will affect the indigenous industry at all. It is only an incentive to export and only to exporters and nobody else.

MR. CHAIRMAN : Shri Yashwant Sinha.

SHRI INDER KUMAR GUJRAL : Sir, one minute... (*Interruptions*).. Sir, I can understand your compensating the exporters for the loss of CCS. Instead of compensating them in rupees, you are encouraging imports—which is a total oddity in the situation. The balance of trade gap is widening. On the one side the Minister tells us that exports are going up and imports are only marginally increasing. Then how is the gap increasing ? Secondly, why doesn't the Government review the policy that they should compensate the export in rupees rather than giving them import licences ?

SHRI P. J. KURIEN : Sir, I would again like to say that this import licence on an average is only 5 per cent of their export earning.

SHRI INDER KUMAR GUJRAL : Why ?

SHRI P. J. KURIEN : That is a suggestion.

SHRI YASHWANT SINHA : You are forgetting that you have taken to a convertible currency on the trade account, which is the major incentive. You are forgetting that.

SHRI P. J. KURIEN : Let me answer the hon. Member. It is a suggestion that it should be given in rupees. That means that you are suggesting that it should go back to the CCS. That is only a suggestion.

SHRI INDER KUMAR GUJRAL : It is not a suggestion. This is a point which any wiser government should have understood itself that it is wasting foreign exchange.

SHRI P. J. KURIEN : The hon. Member should know that this has been included in the policy presented to this House which has been accepted. It has been with us for the last six months.

SHRI INDER KUMAR GUJRAL : By whom has the policy been made ?

SHRI YASHWANT SINHA : I suggest that this question be postponed. In all seriousness I am suggesting it. Let the Minister go back, do his home work and come back to the House. He has not done his home work.

MR. CHAIRMAN : You may ask again the same question.

SHRI P. J. KURIEN : Sir, I don't agree with the hon. Member. I have given all the facts here. I would like to repeat that this policy of special import licence is in the policy presented in Parliament. It has been mentioned therein. For the last six months it has been with us. We have accepted it. Now you are asking to change it. How is it possible ? ... (*Interruptions*)

SHRI INDER KUMAR GUJRAL : Sir, when a policy is presented, does it become sacrosanct? Can't a fault be discovered in that? Can't the fault be corrected?

SHRI P. V. NARASIMHA RAO : Sir, we seem to be talking of different things. The Minister has said that there is a policy. We are implementing it. The hon. Members are seeking to criticise a certain content of the policy. That is how I understand it. We can always discuss that.

SHRI YASHWANT SINHA : Mr. Prime Minister, the Minister has not understood the policy. He is misleading the House.

SHRI P. V. NARSIMHA RAO : That is what I am trying to say, that you do not seem to have understood each other. If there is a discussion, we can settle it.

श्री चतुरानन मिश्र : सभापति महोदय, मैं मंत्री महोदय से जानना चाहता हूं कि क्या इस शताब्दी के अंत तक इतना हमारा एक्सपोर्ट बढ़ेगा कि भारत का विदेशी कर्जा आधा भी हो सकेगा ? नहीं तो कहीं ऐसा तो नहीं होगा कि "जब तक धर्म धावे धावे, तब तक पाप लेकर गोता मारे," तो कहीं ऐसा तो नहीं होगा कि भारत कर्ज के मामले में वर्ल्ड में फर्स्ट नम्बर का कर्जे वाला देश हो जाएगा ..... (**व्यवधान**)

Whether it is possible or not, the Prime Minister is sitting here, he is accountable to the country.

MR. CHAIRMAN : That is a different question.

श्री चतुरानन मिश्र : मेरा क्वेश्चन बहुत क्लियर है ।

MR. CHAIRMAN : Ask a question about this.

SHRI CHATURANAN MISHRA : I am asking a question whether by the end of this century there will be sufficient.... export earning to reduce our foreign loan by half at least. Otherwise, India is going to be the biggest indebted country in the world. So, this is my question. Will anybody from this Government reply to this?

SHRI P. V. NARASIMHA RAO : I can answer anything about the end of the century because I don't have to prove anything right. This is a very futuristic kind of question.

SHRI CHATURANAN MISHRA : That is true. Seven years are there.

SHRI P. V. NARASIMHA RAO : That is what I am saying. The country will be there, whether we are there or not. We have to plan over a long period. We are doing that. Over a short period we have to show results. That also we are trying to do. If there is a proposal to look at future and tell the House what the Government thinks will happen at the end of the century, we are always prepared to do that. But that can be only by way of a discussion, not by way of a supplementary.

SHRI DIPEN GHOSH : Mr. Chairman, Sir, there are two aspects of this question or the reply given by the hon. Minister. One is that he has admitted that since the cash compensation scheme has been abolished, the exporters were given an incentive and that as a matter of incentive they are being allowed to import certain consumer durables which were hitherto incorporated in the negative list. He said that 5 per cent of the total export earning, the foreign exchange earning through exports, is given for imports.

The first part of my question is : Has he examined each case of such exporters to see whether they have exported to the extent it was necessary for the import which they have been allowed. This is one aspect. The second aspect is that there are innumerable cases whereby it can be proved that the firms or the exporters have been allowed import licences

for the consumer durables hitherto incorporated in the negative list. They have imported and thereby they have spent the foreign exchange, but they could not earn that much foreign exchange through the exports. We have the list. That is one aspect. I would like to know whether they have examined that or the Minister is prepared to submit the list of each exporter granted such import licences under that scheme.

Part 3 is that they are allowing the import of such consumer durables which are being produced here and which can well be purchased here. To that extent it is impairing the growth of indigenous industries. So, my question is to what extent the impact is. This is what my colleague wanted to know.

SHRI P. J. KURIEN : These special import licences which I have referred to are given only when the export obligation is fulfilled. So, there is no question of monitoring. We give the licences only after they complete the exports. Before that we do not give licences. This is with regard to special import licences.

Drug Companies involved in Overcharging of Drug Prices

*146. SHRI ANANT RAM JAISWAL:†
SHRI H. HANUMANTHAPPA:

Will the PRIME MINISTER be pleased to state :

(a) what was the import of raw materials and spares at C.I.F. cost as well as amount remitted on dividends and spent on travels by drug companies after the announcement of Drug Policy 1987, yearwise; which were the companies involved in the cases of overcharging and therefore, liable to pay under D.P.E.A.;

(b) what was the profit before tax, net fixed assets and investment made by such companies each year during the above period;

(c) what is the period upto which overcharged amount has been assessed and upto what period assessment is to be made in each case; and

(d) what are the names of products of each company which were under price control and have been exempted under DPCO, 1987 and what was the earlier and present price of each such products ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) :

(a) to (d) A statement is laid on the Table of the Rajya Sabha.

(a) and (c) The details regarding import of raw materials and spares, amount remitted on dividends and spent on travels are not monitored in this Department. The list of companies involved in the cases of overcharging and therefore liable to pay under the DPEA and the position in regard to assessment of liability towards the DPEA, are contained in the enclosures to the answer to the Rajya Sabha Starred Question No. 142 answered today.

(b) Details to the extent available are given in Annexure-I (See below). These pertain to the overall operations of the companies including pharmaceutical activities.

(d) To the extent information is available the details are given in the statement at Annexure-II.

†The question was actually asked on the floor of the House by Shri Anant Ram Jaiswal.